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IBEX: Deadly Symbol Arms Sales Program

By Bob Woodward

Washington Post Staff Writer

On Aug. 28, 1976, three American employees of Rockwell International Corp. were shot to death in Tehran, the capital of Iran.

Richard M. Helms, who was then the American ambassador to Iran and who formerly was director of the Central Intelligence Agency, described the killings in a private conversation with another American three days later.

"A red VW pulled into the front of the car [carrying the Rockwell employees] and a minibus rammed from the rear. Three or four men came over the wall; one went to the front and told the driver to lie down. The driver put his head up and was told to lie down again. Then the man fired through the front, killing Cottrell [one of the employees], who fell out of the car on the ground and moved his hand. One of the men came and fired point-blank into his face.

"After shooting the two in the back seat through the rear window somebody reached in with a pistol and shot each of them in the face. All three had powder burns in the face.

"One of the pistols was a stolen pistol from the United States Military Assistance Advisory Group (MAAG); the other one was believed, from the cartridge cases, to be a Browning. The people were armed with Polish sub-machine guns. There were about 43 rounds of expended ammunition on the ground. They escaped in a third car. The job was professional with the same modus operandi as in the past."

The newspapers reported the official explanation: the killings were the work of Islamic Moslem terrorists.

But three days later the shah of Iran was telling a different story to an American who visited him at 11 a.m. for a 45-minute audience at his lavish summer palace.

"The Russians," the shah told his visitor, "were behind this incident as well as [a] previous military one."

Two hours later Helms told the same American he agreed with the shah.

The three victims of the terrorist attack were working on a secret project of truly Buck Rogers proportions called IBEX. The name was mentioned in the news and then faded.

IBEX

It is a code name for a \$500 million surveillance system for the borders of Iran.

But it is also a symbol of the dangers and problems and corruptions that have afflicted the U.S. arms sale program in Iran and other parts of the world.

IBEX was begun two years ago—an attempt to apply the very best of American technology to the shah's desire to gather intelligence about his neighbors through electronic and photographic surveillance.

On the face of it, it could have been a straightforward business deal between Rockwell and the shah. But as the plans have evolved, the plot has thickened and become perhaps hopelessly tangled.

Item: Rockwell agrees to pay a secret agent's fee of \$4.5 million to a mail drop on Bermuda—Post Office Box 1179, Reid House.

Item: Some payments to the mail drop are forwarded to a Mr. Turretini, Chase Manhattan Bank, 63 Rue de Rhone, Geneva, Switzerland.

Item: The government of Iran deposits \$5 million in the Riggs National Bank in Washington for "payment on demand by signature of Mr. William Owens and Mr. Henry Plastee." Owens and Plastee work for the CIA.

Item: Donald Patterson, a former CIA employee, is paid \$55,000 to authorize payments of \$1.1 million to an auditing firm, Touche Ross and Co. This in turn triggers payments to U.S. defense contractors from another \$47 million deposited at the Riggs bank by Iran.

Item: Helms sends a handwritten note to CIA Director George Bush requesting that a top CIA official come to Iran to hear a series of allegations about corrupt practices.

Item: Fifteen CIA employees in Iran, operating under cover as the United States Advisory Team (USAT), draw up and expand plans for the sophisticated and automated intelligence-gathering system.

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The documents include reports of the most reporting on the private conversations of the shah, his top generals and Ambassador Helms.

U.S. arms merchandising in Iran—

about \$10.4 billion in the last five years—has been the subject of severe public criticism. But these documents show it is in much worse shape than publicly reported.

The IBEX project is a case study in the kind of intrigue and under-the-table dealing which, on more than one occasion, have characterized the U.S. arms merchandising program. The story begins in early 1974.

By that time the shah had determined that he wanted electronic eyes and ears around his borders. He was influenced, in part, by the example of the CIA, which for many years had operated two secret monitoring posts along the 1,250-mile border between Iran and the Soviet Union.

So he asked the CIA for assistance. A general plan was drawn up calling for 11 ground monitoring posts, six airborne units and several mobile ground units. Robert B. Phillips of the CIA was sent to Iran to set up an advisory team for the project. Bids were invited, and four U.S. companies entered into the competition—Rockwell International, GTE Sylvania, E-Systems and Mechanics Research, Inc.

The companies were all warned by Phillips on Nov. 19, 1974, that the use of Iranian "middlemen," meaning influence peddlers, would not be tolerated.